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(N.C. Bar No. 6149)

February 10, 2023

Ms. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
Mail Service Center 4325
Raleigh NC 27699 -4300

RE: Docket Nos. W-1343, Sub 0, W-1139, Sub 7

Dear Ms. Dunston:

Please accept for filing the following documents in the above captioned dockets: cover Application for Transfer of Certificate of Public Convenience and Necessity and Increase in Rates; the Verification of Bob Hauser, Manager of GWWTP, LLC; Transfer Application on the NCUC's required form; Operating Agreement between GWWTP, LLC and Atlantic Beach OBX; Settlement Agreement between GWWTP and DEQ , permit no. WQ0017224; Sumit Gupta signed personal financial statement (Confidential); Amit Gupta signed personal financial statement (Confidential); GWWTP Rate Case Exhibit 1; GWWTP Exhibit 2, Projected Income Statement and Statement of Cash Flows; GWWTP Articles of Organization; GWWTP 2023 Annual Report from the North Carolina Secretary of State; GWWTP Status from the Secretary of State.

The \$100 filing fee was submitted by letter dated February 6, 2023.

Please note that the NCUC's Transfer of Certificate of Public Convenience and Necessity and Increase in Rates form requires the signature of the seller and the buyer. Please accept the verification of Bob Hauser as the signature of the buyer. As set forth in detail in the cover petition, the seller has long since ceased to be a participant in owning and operating the waste water system at issue so its signature cannot be obtained.

Thank you for your attention to this matter.

Sincerely,
Edward S. Finley, Jr.
Counsel for GWWTP, LLC.

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing Application for Transfer of Certificate of Public Convenience and Necessity and Increase in Rates in Docket Nos. W-1342, Sub 0 and W-1139, Sub 7 was duly served upon parties of record either by depositing same in a depository of the United States Postal Service, first class postage prepaid, or by electronic delivery.

This the 10th day of February, 2023.

Edward S. Finley, Jr., PLLC

/s/ Edward S. Finley, Jr.

Edward S. Finley, Jr. 2024
White Oak Rd. Raleigh, NC
27608
919-418-4516
edfinley98@aol.com

Counsel for GWWTP, LLC

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

Docket No. W-1139, Sub 7
Docket No. W-1343, Sub 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Joint Application)
of Ginguite Woods Water Reclamation)
Association Inc. and GWWTP, LLC. for)
Approval of Transfer of Certificate of)
Public Convenience and Necessity for the)
Wastewater System Serving the)
Ginguite Woods Subdivision in Dare)
County and Application by GWWTP,)
LLC for Increase in Rates)

**APPLICATION FOR TRANSFER
OF CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY AND FOR INCREASE IN
RATES**

NOW COMES GWWTP, LLC, pursuant to N.C. Gen. Stat. § 62-111, and applies to the Commission to obtain the certificate of public convenience and necessity for the wastewater system serving the Ginguite Woods subdivision in Dare County North Carolina and pursuant to N.C. Gen. Stat. § 62-133 for approval of rates. Through inadvertence and without familiarity with Commission requirements, a number of transactions have occurred subsequent to the initial granting of the wastewater franchise for Ginguite Woods that require explanation and for which Applicants seek Commission approval nunc pro tunc.

1. Presently, the certificate of public convenience and necessity is held by Ginguite Woods Water Reclamation Association Inc. (sometimes “GWWRA”), originally owned by Neil Blenkin. Ginguite Woods Water Reclamation Association Inc. was granted the franchise to serve the subdivision by order dated August 13, 2003 in Docket No. W- 1139, Sub 0.
2. By order issued August 18, 2009 in Docket No. W-1139, Sub 3 the Commission approved interim rates for GWWRA.
3. Although it still holds the franchise, for many years, the original holder in the franchise has had no active role in Ginguite Woods.
4. Based on a management contract dated October 16, 1998 the system was originally operated by Enviro-Tech as the contract operator.

5. The original owner of Ginguite Woods Water Reclamation Association Inc., Neil Blenkin, encountered financial and operating difficulties and was unable to continue ownership and operation of the wastewater utility serving Ginguite Woods.

6. By order issued November 20, 2009 in Docket No. W-1139, Sub 4, the Commission appointed William G. Freed of Enviro-Tech of North Carolina Inc. (Enviro-Tech) as emergency operator of the wastewater system. The Commission determined that there was an imminent danger of losing sewer service due to the lack of a competent utility company and the lack of money to pay current and outstanding bills, and to pay for upgrades to the system, justifying the appointment of an emergency operator in accordance with N.C. Gen. Stat. § 62-116(b). Consequently, on November 20, 2009 Mr. Freed and Enviro-Tech continued the role of operating the system but thereafter as the emergency operator as opposed to the contract operator on behalf of the owner, Ginguite Woods Water Reclamation Association, Inc.

7. November 20, 2009 marked the termination of any active or ownership role played by GWWRA for the Ginguite Woods wastewater system.

8. In its November 20, 2009 order the Commission approved an interim monthly rate of \$90 per SFE (360 gallons per day). This interim rate remains in effect.

9. GWWTP acquired the interest originally held by Neil Blenkin in Ginguite Woods Water Reclamation Association Inc. The wastewater system in Ginguite Woods consisted of several discrete assets. GWWTP acquired them between November 13, 2015 and March 24, 2017. On March 3, 2010 Paragon Utilities Inc., owned by local investors, had acquired one asset, 0.114 acres, composing the system in foreclosure. Upon information and belief, Paragon Utilities Inc. did not inform the Commission or obtain the Commission's permission to acquire a portion of the assets formerly held by GWWRA. GWWTP acquired one tract from GWWRA on November 13, 2015. GWWTP acquired the Paragon Utilities Inc. tract on March 24, 2017.

10. At that date, GWWTP took over ownership and control of all the Ginguite Woods wastewater assets. Likewise, GWWTP's acquisition and control of the wastewater system was undertaken without seeking the Commission's approval. The original owner had, in effect, relinquished any role in owning and operating the system, and GWWTP determined it necessary to step in and obtain the system on an emergency basis to avoid service disruption, degradation to the environment and the threat to development activities.

11. Due to this need to act expeditiously in order to avoid loss of service to customers, degradation to the environment and interference with development activities, and through inadvertence and unfamiliarity by GWWRA and GWWTP with public utility regulatory requirements, the transaction whereby ownership and control of the wastewater system was obtained by GWWTP was not approved by the Commission as required by statute.

12. After acquisition, William Freed and Enviro-Tech continued to serve as nominal emergency operator of the system. However, upon GWWTP's acquisition of ownership and

control from GWWRA the need for continuation of operation by an emergency operator ended. GWWTP was not constrained by the financial and operational limitations handicapping GWWRA.

13. Through the collection of monthly flat sewage rates and a \$100,000 payment from GWWTP Enviro-Tech was fully compensated for the services it provided as emergency operator when in 2021 it ceased to serve as operator in Ginguite Woods.

14. Subsequent to GWWTP's acquisition of the Ginguite sewer system, several companies have operated the system, on GWWTP's behalf. While Enviro-Tech has remained the nominal emergency operator, from the perspective of GWWTP, the subsequent operators have actually served in roles more appropriately classified as contract operators.

15. On or about August 2021 Enviro-Tech, due to a sale of a portion of its business, ceased to provide services within Ginguite Woods. Again, the parties, through inadvertence, failed to notify the Commission of this relinquishment of service by the nominal emergency operator. In addition, this ambiguity in ownership and operating responsibility has resulted in omissions and oversight in maintaining some records and filing of some reports.

16. Should the Commission approve the application of transfer of ownership, GWWTP, LLC, as owner and franchise holder, intends to continue to rely upon a qualified system operator as the contract operator or perhaps its own employees. Should the Commission approve this petition, GWWTP, LLC., with access to ample financial resources, will not need to operate the system through an emergency operator. Consequently, GWWTP, LLC. understands that should the Commission grant the relief requested, Enviro-Tech and William Freed will request that they be relieved as the nominal emergency operator, thereby obtaining authority to relinquish formal authority actually relinquished in 2001.

17. Attached hereto is the completed applications for approval of rates for water and wastewater utilities as required by the Commission in its rules and regulations. Applicant requests that this application satisfy the Commission's requirements for approval of the transfer of the certificate of public convenience and necessity. The verification of Bob Howsare, Manager of GWWTP, is submitted herewith. Applicant requests that this verification be accepted as verification of this application and the application for approval of rates.

18. The calculations supporting the requested rate adjustments would justify new rates substantially above the currently existing rates of \$90 per month. Applicant therefore proposes to phase in the requested increase over time rather than a single substantial increase.

Respectfully submitted, this 6th day of February, 2023.

Edward S. Finley, Jr., PLLC
/s/ Edward S. Finley, Jr.

Edward S. Finley, Jr.
Counsel for GWWTP, LLC

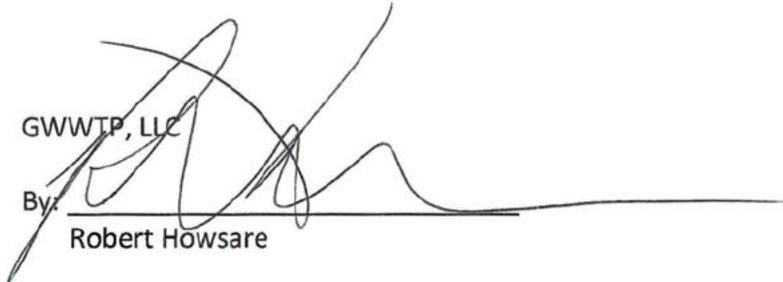
STATE OF NORTH CAROLINA

VERIFICATION

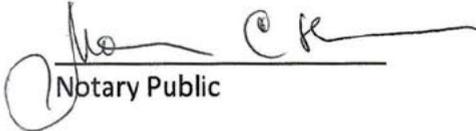
DARE COUNTY

Robert Howsare, being first duly sworn, deposes and says that he is Manager of GWWTP, LLC, that he has read the foregoing Application and that the same is true of his own knowledge, except as to those matters and things therein alleged upon information and belief, which he believes to be true.

RH
This the 2nd day of Feb., 2023.

GWWTP, LLC
By: 
Robert Howsare

Sworn to and subscribed before me,
This the 2nd day of Feb., 2023


Notary Public

MARINA C HILL
Notary Public - North Carolina
Dare County
My Commission Expires Dec 3, 2027

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION
APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE
AND FOR APPROVAL OF RATES

INSTRUCTIONS

Notes or explanations placed in the margins of the application are acceptable. If additional space is needed, supplementary sheets may be attached. If any section does not apply, write "not applicable" or cross out the section.

SELLER

- 1. Trade name used for utility business GWWRA, LLC
- 2. Mailing address PO Box 95 Point Harbor 27964
- 3. Business telephone number 252-202-4528

PURCHASER

- 4. Trade name used for utility business GWWTP, LLC
- 5. Name of owner (if different from trade name) _____
- 6. Business mailing address PO Box 90
City and state Kill Devil Hills, NC Zip code 27948
- 7. Business street address (if different from mailing address) _____
- 8. Business telephone number 252-441-9003
- 9. If corporation, list the following:
 President _____ Vice President _____
 Secretary _____ Treasurer _____
 Three (3) largest stockholders and percent of voting shares held by each

- 10. If partnership, list the owners and percent of ownership held by each
Sumit Gupta 50% 252-207-8997 Amit 252-333-8464
Amit Gupta 50%
- 11. Is the purchaser acquiring the utility assets or stock? Franchise transfer
 (No filing fee required if stock transfer only.)

PROPOSED AND PRESENT RATES

	<u>Proposed Rates</u>	<u>Present Rates</u>
12. Metered Residential Service:		
Water:	_____	_____
Sewer:	_____	_____
13. Flat Rate Residential Service:		
Water:	_____	_____
Sewer:	<u>\$232 per month. GWWTP is amenable to phasing in the rate increase over a 2 year period. Per Rate Case Exhibit I</u>	<u>\$90.00 per month</u>
14. Nonresidential Service (explain):		
Water:	_____	_____
Sewer:	_____	_____
15. Tap-on fees:		
Water:	_____	_____
Sewer:	_____	_____

OTHER PROPOSED RATES

- 16. Finance charge for late payment: 1% per month for unpaid balances
 (NCUC Rule R12-9) specifies not more than one percent (1.0%) per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.)
- 17. Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20: _____
- 18. Reconnection charge if water service discontinued at customer's request: _____
- 19. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: \$15.00
- 20. Other charges: _____
- 21. What date are the proposed rates to become effective: 07/01/2023
- 22. How long have the present rates been in effect? Approximately 14 years

PURCHASER'S PROPOSED BILLING

- 1. Frequency of billing shall be (monthly, quarterly, etc.) Monthly
- 2. Billing shall be for service (in advance or arrears) Arrears
- 3. Bills past due 25 days after billing dates: (NCUC Rule R12-9 specifies that bills shall not be past due less than fifteen (15) days after billing date).
- 4. Will regular billing be by written statement? (yes or no) _____
- 5. Will the billing statement contain the following? (Indicate yes or no for each item)
 - (a) Meter reading at beginning and end of billing period N/A
 - (b) Date of meter readings N/A
 - (c) Gallons used, based on meter readings N/A
 - (d) Amount due for current billing period listed as a separate amount N/A
 - (e) Amount due from previous billing period listed as a separate amount N/A
 - (f) Amount due for each special charge (i.e., deposits, tap fees, etc.) listed as a separate amount .. _____
- 6. Show how the following will appear on the billing statement:
 - (a) Mailing address of Company: PO Box 272 Harbinger, NC 27941
 - (b) Address where bill can be paid in person: _____
 - (c) Name and phone number of alternative persons to contact for emergency service after business hours:
Dave Robertson - 252-489-9711
- 7. Is service already metered? (yes or no) No
- 8. Does the Purchaser understand the provisions for establishing credit and collecting customer deposits set forth in NCUC Rules and Regulations, Chapter 12? (yes or no) _____
(Customer deposits must be refunded to customers having not more than two (2) bills overdue during a 12-month period and who are not then delinquent on the payment of their bills, per NCUC Rule R12-5.)
- 9. List the amount of customer deposits still held by Seller:
Water: N/A Sewer: None

PURCHASER'S SERVICE ORGANIZATION

	<u>NAME</u>	<u>ADDRESS</u>	<u>TELEPHONE</u>
10. General Manager	<u>Tina Gee</u>	<u>8490 Caratoke HWY Powells Point, NC 27966</u>	
11. Complaints or Billing	<u>Tina Gee</u>	<u>Same as above</u>	<u>252-491-8771</u>
12. Engineering Operations	<u>Dave Robertson</u>	<u>Same as above</u>	<u>252-491-8771</u>
13. Emergency Service	<u>Dave Robertson</u>	<u>same as above</u>	<u>252-489-9711</u>
14. Accounting	<u>Tina Gee</u>	<u>same as above</u>	<u>252-491-8771</u>

- 15. Are the names and phone numbers shown above listed in the phone book by each of the proposed service areas? (yes or no) yes
- 16. Will customers be able to make telephone calls for service without being charged for a long distance phone call? (yes or no) yes
- 17. Will persons designated to receive phone calls for emergency service, after regular business hours, have authority to provide the needed repairs without first contacting owner? (yes or no) yes
- 18. List the qualifications of the person in charge of the utility system:
Hired Atlantic OBX 04/15/2022 as sewer operator- Certified technicians perform testing,maintenance as the operator in charge. See attached contract.
- 19. List the date(s) and describe any DENR violation(s) since the last application for franchise, transfer, or rate increase: See attached
GWWTP Settlement Agreement with North Carolina Environmental Management Commission due to past issues related to previous Emergency Operator.

SERVICE AREA

Fill in one column for each Subdivision or Service Area.

		(1)	(2)	(3)
1.	Name of Subdivision(s) or Service Area(s)	_____	_____	_____
2.	County (or Counties)	Dare	_____	_____
3.	Type of service (water, sewer, etc.)	Sewer	_____	_____
4.	If water is purchased, list from whom	Dare County	_____	_____
5.	Source of water supply (wells, etc.)	County	_____	_____
6.	Number of wells in service	_____	_____	_____
7.	Pumping capacity of each pump in service	_____	_____	_____
8.	Elevated storage tank capacity (gals.)	_____	_____	_____
9.	Pressure tank capacity (gals.)	_____	_____	_____
10.	Types of water treatment (chlorine, etc.)	_____	_____	_____
11.	Number of fire hydrants installed	_____	_____	_____
12.	Is sewage disposal by septic tank or by sewer system?	Sewer System	_____	_____
13.	If disposal is by sewer system, is sewage treated by utility company or by others?	Utility Company	_____	_____
14.	Capacity of Company's sewage treatment plant (gallons per day)	32,500	_____	_____
15.	Is service metered? (yes or no)	No	_____	_____
16.	Number of water meters in use	_____	_____	_____
17.	Number of service taps in use (list number of each size)	Water _____	_____	_____
	B	_____	_____	_____
	Sewer	38	_____	_____
		_____	_____	_____
18.	Number of customers at the end of test year	Water _____	_____	_____
		Sewer 38	_____	_____
19.	Number of customers that can be served by mains already installed (including present customers, vacant lots, etc.)	Water _____	_____	_____
		Sewer 38	_____	_____
20.	Number of customers that can be served by pumping capacity	Water _____	_____	_____
21.	Number of customers that can be served by storage tank capacity	Water _____	_____	_____
22.	Number of customers that can be served by treatment plant capacity	Sewer _____	_____	_____
23.	Name nearest water/sewer utility system	Dare County	_____	_____
24.	Distance to nearest water/sewer utility system	On site	_____	_____
25.	Does any other person or utility seek to furnish the service(s) proposed herein? (yes or no)	_____	_____	_____
26.	Has the system been offered for sale to the customers, county, or municipality? (yes or no)	No	_____	_____
	If not, why not? _____	_____	_____	_____
27.	a. DENR System I.D. No.	Water _____	_____	_____
	b. NPDES or Nondischarge Permit No.	Sewer WQ0017224	_____	_____

FINANCIAL STATEMENT

1. Will a separate set of books be maintained for the utility business?
Yes _____
2. Will a separate bank account be maintained for the utility business?
Yes _____
3. Are the revenues and expenses listed below based on past operations or are they estimated for future operations?
(actual or estimated) _____

REVENUES AND EXPENSES

For 12 Months Ended November 30, 2022 (Date)

<u>Revenues</u>	<u>Water</u>	<u>Sewer</u>
4. Residential service (flat rate)	\$ _____	\$ <u>Per Rate Case Exh. I</u>
5. Residential service (metered rate)	\$ _____	\$ _____
6. Nonresidential service (flat rate)	\$ _____	\$ _____
7. Nonresidential service (metered rate)	\$ _____	\$ _____
8. Other revenues (describe in remarks below)	\$ _____	\$ _____
9. Total Revenues (Lines 4 thru 8)	\$ <u>_____</u>	\$ <u>_____</u>
10. Total salaries (except owner)	\$ _____	\$ _____
11. Salaries paid to owner	\$ _____	\$ _____
12. Administrative and office expense (except salaries)	\$ _____	\$ _____
13. Maintenance and repair expense (except salaries)	\$ _____	\$ _____
14. Transportation expenses	\$ _____	\$ _____
15. Electric power for pumping	\$ _____	\$ _____
16. Chemicals for treatment	\$ _____	\$ _____
17. Testing fees	\$ _____	\$ _____
18. Permit fees	\$ _____	\$ _____
19. Purchased water/sewer treatment	\$ _____	\$ _____
20. Annual depreciation	\$ _____	\$ _____
21. Taxes: State income taxes	\$ _____	\$ _____
22. Federal income taxes	\$ _____	\$ _____
23. Gross receipts (or franchise tax)	\$ _____	\$ _____
24. Property taxes	\$ _____	\$ _____
25. Payroll taxes	\$ _____	\$ _____
26. Other taxes	\$ _____	\$ _____
27. Interest on debt during year	\$ _____	\$ _____
28. Other expenses (describe in remarks below)	\$ _____	\$ _____
29. Total Expenses (Lines 10 thru 28)	\$ <u>_____</u>	\$ <u>_____</u>
30. Net Income (Line 9 minus Line 29)	\$ <u>_____</u>	\$ <u>_____</u>

Remarks

31. _____
32. _____
33. _____
34. _____
35. _____

NUMBER OF CUSTOMERS SERVED

	<u>Water</u>		<u>Sewer</u>	
	<u>Flat Rate</u>	<u>Metered</u>	<u>Flat Rate</u>	<u>Metered</u>
36. Customers at beginning of year	_____	_____	38	_____
37. Customers at end of year	_____	_____	38	_____
38. Average gallons used per customer				_____ per month

PURCHASER'S COST OF UTILITY SYSTEM

1. List Purchaser's cost of utility systems:

Water: _____

Sewer: _____

ORIGINAL COST OF UTILITY SYSTEM

As of Year Ended November 30, 2022 (Date)

Note: List the total original cost to construct and establish the system, whether or not paid for by the Seller.

	<u>Utility Property in Service</u>	
	<u>Water</u>	<u>Sewer</u>
2. Land and rights-of-way	\$ _____	\$ <u>Per Rate Case Exh.</u>
3. Structures and site improvement	\$ _____	\$ _____
4. Wells	\$ _____	\$ _____
5. Pumping equipment	\$ _____	\$ _____
6. Treatment equipment	\$ _____	\$ _____
7. Storage tanks	\$ _____	\$ _____
8. Mains (excluding service connections)	\$ _____	\$ _____
9. Service connections	\$ _____	\$ _____
10. Meters (including spare meters)	\$ _____	\$ _____
11. Office furniture and equipment	\$ _____	\$ _____
12. Transportation equipment	\$ _____	\$ _____
13. Other utility property in service (describe in remarks below)	\$ _____	\$ _____
14. Total utility property in service (Lines 2 thru 13)	\$ <u>_____</u>	\$ <u>_____</u>
15. Less: acquisition adjustments (difference between original cost above and cost to Seller)	\$ _____	\$ _____
16. Less: Seller's accumulated depreciation	\$ _____	\$ _____
17. Less: Seller's accumulated tap fees and other contributions in aid of construction	\$ _____	\$ _____
18. Seller's net investment in utility property (Line 14 minus 15, 16, & 17)	\$ <u>_____</u>	\$ <u>_____</u>

	<u>Utility Property Not in Service</u>	
	<u>Water</u>	<u>Sewer</u>
19. Construction work in progress	\$ _____	\$ _____
20. Property held for future use	\$ _____	\$ _____
21. Other (describe in remarks below)	\$ _____	\$ _____

Remarks

- 22. _____
- 23. _____
- 24. _____
- 25. _____

ANNUAL DEPRECIATION

26. If annual depreciation is claimed using a composite rate for the entire system, show rate of depreciation used:
 Water: _____
 Sewer: _____

27. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used:

OTHER FINANCIAL INFORMATION

1. Please provide the following capital structure information for the Purchaser prior to the purchase of the new water and/or sewer system(s):

a. Capital structure as of _____

b. Capital structure balances:

	<u>Amount</u>	<u>Percent Of Total Capital</u>
Long-term debt/loans	\$ _____	_____
Preferred stock (if any)	\$ _____	_____
Common equity:		
Common stock	\$ _____	_____
Retained earnings	\$ _____	_____
Total common equity	\$ _____	_____
Total capital	\$ <u>_____</u>	<u>100%</u>

2. The purchase price of the system will be financed as follows:

a. Long-term debt	\$ _____
b. Short-term debt	\$ _____
c. Common stock	\$ _____
d. Retained earnings	\$ _____
e. Other (please describe below on Line g)	\$ 100%
f. Total purchase price	\$ <u>_____</u>

g. Description of other: Equity to purchase / refurbish sewer system

3. Please provide the following for improvements/additions to be made in the first year:

a. Brief description: Front end upgrade - replacement steel tanks, EQ tank, digester and aeration tanks to be completed in October 2022

b. Financing:

(1) Long-term debt	\$ _____
(2) Short-term debt	\$ _____
(3) Common stock	\$ _____
(4) Retained earnings	\$ _____
(5) Other (please describe below on Line (7))	\$ \$397,000
(6) Total improvements/additions	\$ <u>_____</u>

(7) Description of other: Equity investment 2022

EXHIBITS

THE FOLLOWING EXHIBITS SHALL BE ATTACHED TO THE APPLICATION:

1. If the Purchaser is a corporation, enclose a copy of the Articles of Incorporation on file with the North Carolina Secretary of State. (Not required if previously filed with the Commission.)
2. If the Purchasers are doing business as a partnership, enclose a copy of the partnership agreement. (Not required if previously filed with the Commission.)
3. If the Purchaser is conducting business under a trade name or d/b/a, enclose a copy of the certificate filed with the register of deeds in each county where the Applicant will be conducting business as required by G.S. 66-68.
4. Enclose a copy of (1) exhibits showing that the Seller has ownership of all property necessary to operate the utility and (2) a purchase agreement reduced to writing. Any changes in the purchase agreement should be filed immediately with the Commission.
5. If the application is for a stock transfer, enclose a copy of the most recent financial statements, including a balance sheet, for the Seller.
6. Enclose a copy of contracts or agreements, including all attachments, exhibits, and appendices, between the utility and any other party (land developers, customers, etc.) regarding the proposed utility services, including contracts regarding tap fees, construction costs, easements, and rights-of-way, etc. (If none, write "none"). _____
7. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the Purchaser.
8. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Purchaser.
9. If the information requested in Exhibits 7 and 8 is not available, enclose a copy of the most recent fiscal year financial statements or statement of net worth for the principals of the Purchaser and/or parent company.

FILING INSTRUCTIONS

10. Eight (8) copies of the application and exhibits shall be filed with the **North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325. Twenty-five (25) copies of an application to acquire a Class A or B utility company should be filed.** One of these copies must have original signatures. (Applicants must also provide any copies to be returned to them.)
11. Enclose a filing fee as required by G. S. §62-300. A Class A company (annual revenues of \$1,000,000 or more) requires a \$250 filing fee. A Class B company (annual revenues between \$200,000 and \$1,000,000) requires a \$100 filing fee. A Class C company (annual revenues less than \$200,000) requires a \$25 filing fee. **MAKE CHECK PAYABLE TO THE N.C. DEPARTMENT OF COMMERCE/UTILITIES COMMISSION.** (No filing fee required if stock transfer only.)

SIGNATURES

12. Application shall be signed and verified by the Applicants.

Signature _____
Purchaser

Date _____

Signature _____
Seller

Date _____

13. (Typed or Printed Name) _____
personally appearing before me and, being first duly sworn, says that the information contained in this application and in the exhibits attached hereto are true to the best of his/her knowledge and belief.

This the _____ day of _____, 20_____.

Notary Public

Address

My Commission Expires: _____
Date

ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES

Projected Income Statement

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
	<u>Operating revenue</u>					
1.	Metered service revenue					
2.	Flat rate service revenue					
3.	EPA testing surcharge					
4.	Re-connect fees					
5.	Returned check charge					
6.	Late payment charge					
7.	Other operating revenue					
8.	Total operating revenue (Sum of Line 1 thru Line 7)					
	<u>Operating expenses</u>					
9.	Total salaries and wages (employees only)					
10.	Outside labor expenses (non-employees)					
11.	Administrative and office expense					
12.	Maintenance and repair expense					
13.	Purchased water					
14.	Purchased sewage treatment					
15.	Electric power expense (exclude office)					
16.	Chemicals expense					
17.	Testing fees					
18.	Transportation expense					
19.	Other operating expense					
20.	Total operation and maintenance expenses (Sum of Line 9 thru Line 19)					
21.	Annual depreciation expense					
22.	Property taxes paid on utility property					
23.	Payroll taxes					
24.	Franchise (gross receipts) tax					
25.	Annual NCUC regulatory fee					
26.	Total operating expenses (Sum of Line 20 thru Line 25)					
	<u>Income Taxes</u>					
27.	State income taxes					
28.	Federal income taxes					
29.	Total income taxes (Line 27 + Line 28)					
30.	Net operating income (loss) (Line 8 - Line 26 - Line 29)					
31.	Interest expense					
32.	Net income (loss) (Line 30 - Line 31)					

Per Exhibit II

ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES

Statement of Cash Flows

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
1.	Pre-tax operating income (loss):					
2.	Total operating revenue		Per Exhibit II			
3.	Less: Operation and maintenance expenses					
4.	Less: Taxes other than income					
5.	Pre-tax operating income (loss)					
6.	Income tax calculation:					
7.	Pre-tax operating income (loss)					
8.	Plus: Contributions in aid of construction					
9.	Less: Tax depreciation					
10.	Less: Interest expense					
11.	Taxable income (loss)					
12.	State income tax					
13.	Federal income tax					
14.	Total income taxes to be paid					
15.	Net cash provided by (used in) operating activities					
	<u>Cash Flows From Investing Activities</u>					
16.	Purchases of utility plant					
17.	Plus: Cash bonds posted					
18.	Less: Contributions in aid of construction					
19.	Less: Proceeds from disposal of utility plant					
20.	Net cash used (provided) by investing activities					
	<u>Cash Flows From Financing Activities</u>					
21.	Proceeds from issuing short term debt					
22.	Less: Principal repayment of short term debt					
23.	Plus: Proceeds from issuing long term debt					
24.	Less: Principal repayment of long term debt					
25.	Less: Interest payment for short and long term debt					
26.	Plus: Proceeds from issuing stock					
27.	Less: Dividends paid					
28.	Plus: Funds provided by owner					
29.	Net cash provided (used) by financing activities					
30.	Net increase (decrease) in cash					
31.	Cash balance at beginning of year					
32.	Cash balance at end of year					

ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES

Instructions

1. These schedules should reflect all revenues, costs, investment, etc. associated with or to be associated with the utility system for which the subject franchise application is being submitted, exclusively.
2. For purposes of forecasting future expenses, as a simplifying assumption, it may be assumed that increases in such costs due to increases in general price levels, (i.e., inflation) will on average be offset by concurrent rate increases. Thus, no provision(s) for such offsetting changes will need to be made in forecasting costs.
3. A written detailed narrative explanation of all assumptions underlying the information and data contained in this addendum and five (5) copies of all workpapers developed in completing the addendum are to be filed with the Commission's Chief Clerk concurrent with the filing of the franchise application.
4. Computations for Statement of Cash Flows (Page 2 of Addendum)
 - (a) Line 2 should agree with Addendum Page 1 - Projected Income Statement, Line 8.
 - (b) Line 3 should agree with Addendum Page 1 - Projected Income Statement, Line 20.
 - (c) Line 4 should agree with Addendum Page 1 - Projected Income Statement, Sum of Line 22 thru Line 25.
 - (d) Line 14 should equal Line 12 plus Line 13.
 - (e) Line 15 should equal Line 5 less Line 14.
 - (f) Line 30 should equal Line 15 less Line 20 plus Line 29.
 - (g) Line 31 should equal the cash balance at the end of the prior year, except for the beginning balance for Year 1, which should be zero.
 - (h) Line 32 should equal Line 30 plus Line 31.

**STATE OF NORTH CAROLINA
COUNTY OF DARE**

**OPERATION
AGREEMENT**

This Operation Agreement (this "Agreement") entered into April 27, 2022 (the "Effective Date") by and between GWWTPLLC (the "Owner") and Atlantic OBX (the "Operator").

RECITALS

WHEREAS, the Owner desires to engage the Operator and the Operator desires to be engaged for the operation and maintenance of the Ginguite Woods Wastewater Collection, Treatment and Disposal System serving the residential development (the "Wastewater System") located in Southern Shores within the County of Dare.

NOW THEREFORE, in consideration of the foregoing and of the parties' mutual promises, terms and conditions set forth herein, and of other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

Section I: Price

During the Term (as defined below) Owner agrees to pay Atlantic OBX, for the Services (as defined herein), the sum of **Four Thousand Dollars per month (\$4,000.00)**, plus reimbursement for all actual costs, plus twenty percent, of goods and services purchased on behalf of the Owner necessary for proper operation and maintenance of the Wastewater System. Payment for operational services shall be made prior to and no later than the tenth day of the service month. The Operator shall submit to Owner at the end of each service month, monthly invoices setting forth, in reasonable detail, the costs of reimbursement.

Section II: Obligations of Atlantic OBX

For the above compensation, Atlantic OBX agrees to provide for the Owner an individual to be the responsible (the "Operator in Responsible Charge") for the operation of the Wastewater System. Any additional staff needed outside of the Operator in Responsible Charge to perform routine operations and maintenance services, preventative maintenance, proper record keeping and procurement of supplies necessary for proper operation of the facility will be provided within the scope of this contract.

Under this contract the Services include the following:

1. the treatment system shall be visited and inspected **daily** as per the permit to include but not limited to:
 - a. observing, inspecting and documenting the system for any indication of performance problems (influent bar screen, tanks, manholes, plumbing, valves, equipment)
 - b. confirming that meters, control panels, float switches, pumps and alarms are operational and functioning correctly
 - c. record required effluent parameters, pump readings, disposal volumes and observations of system performance
 - d. making adjustments as needed to ensure plant operation (backwash of filters, fume scrubber, etc)

- e. performing and documenting required data (DO, Settrometer test, pH test, turbidity, etc)
 - f. adding chemicals as needed (Disinfection, stabilization, etc)
2. the following shall be performed a minimum of **weekly**;
- a. test backup generator
 - b. visual observation of pump station to ensure proper operation
 - c. lab sampling NDMR-required effluent parameters per the permit (May-August)
3. the following shall be performed a minimum of **monthly**;
- a. lab sampling for NDMR-required effluent parameters per the permit (September-April)
 - b. record NDMR monthly data to be calculated and submitted to the State with copies available to the owner
4. the following shall be performed **triannually**;
- a. lab sampling for NDMR-required effluent and groundwater well parameters per the permit
5. the following shall be performed as needed;
- a. respond to all system alarm conditions in a timely manner. Operator shall display a contact phone number and be readily available 24 hours and day 7 days a week

If any malfunction, damage or loss of equipment to any part of the Wastewater System should occur or be caused by matters not addressed in this contract, Atlantic OBX will take immediate corrective action when needed to protect public health and safety, prevent further damage to the system, and/or maintain the system in permit compliance. Atlantic OBX shall be reimbursed in accordance with the attached Time & Material Rates for labor performed. Estimated costs for such action shall be limited to *One Thousand Dollars (\$1,000.00)* without prior verbal approval by Owner. Owner and Operator may, by written mutual agreement, adjust or modify the Services to be provided as well as the compensation for any such additional Services. Any such additional Services agreed between the parties shall be governed by this Agreement.

Section III: Other Fees

Failure of equipment for any other reason than improper or lack of maintenance will be replaced or repaired and billed as a reimbursement. This charge will be billed monthly as outlined in Section I. Operator will provide monthly billing services to customers of system for Owner. Customer remittance will be to a local post office box reserved for that purpose. After posting payments to accounts, checks will be deposited into an account established and maintained by the Owner.

Section IV: Indemnification

To the extent permitted by North Carolina Law, Owner shall defend, indemnify and hold Operator harmless from all liabilities, obligations, claims, damages, actions, suits, proceedings, costs and expenses including attorney's fees that arise in tort, contract or under US Code 1983 due to any act or omission of Owner or its agents, employees or independent contractors.

Nothing in this agreement shall be construed to create the relationship of employer and employee between Owner and Operator. Except as set forth herein, neither the Owner nor Operator shall have the authority to bind the other party.

Operator and Owner agree that Atlantic OBX is not responsible for damage or destruction of the facility by an act of God, which includes but is not limited to hurricane, lightning, floodwaters or wind. Likewise, Atlantic OBX shall be excused from performing its obligations under this Agreement if its performance is delayed or prevented by any event beyond Operator's reasonable control and without its fault or negligence, provided that such performance shall be excused only to the extent of, and during the reasonably unavoidable continuance of, such disability that cannot be mitigated by the reasonable action of the Operator.

Section V: Maintenance of Insurance

In addition to and without limiting Operator's obligations under Section IV above, Operator will provide Owner upon reasonable request with certificates of insurance as evidence of insurance for workers compensation and employers liability.

Section VI: Nondiscrimination

Operator agrees that in performance of this contract, Operator will not discriminate against any employee or applicant because of race, color, creed, national origin or ancestry.

Section VII: Default

All terms and conditions of this agreement are considered material and failure to perform any of the terms and conditions on the part of either party is considered a breach of this agreement. Should Operator or Owner fail to perform any of the terms or conditions the complaining party has the right to terminate the agreement only after thirty (30) days notice in writing to the breaching party. The breaching party will have thirty (30) days to remedy said violations. If Owner defaults due to non-payment Operator reserves the right to collect all legal fees associated with collecting outstanding receivables associated with this contract.

Section VIII: Overdue fees

Past due accounts bear interest at the lesser of 1.5% per month or maximum rate permitted by applicable law, and continuing after Operator obtains a judgment against Owner.

Section IX: Term

This Agreement shall be in force for the period of one (1) year (the "Term"). The Owner and/or Operator obtains the right to terminate this agreement after (30) days of written notice is given to the Operator and/or Owner. The Operator may request cancellation of agreement if scheduled construction of the new section is not completed by December 31, 2022.

Section X: Miscellaneous

This Agreement shall be governed by and construed according to the law of the State of North Carolina. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile or PDF signatures. No delay or omission by a Party to exercise any right or remedy accruing pursuant to any of the terms hereof shall impair any such right or remedy or be construed to be a waiver thereof. Any modification or amendment of any provision of this Agreement must be made in writing and signed by an authorized representative of each Party. This Agreement constitutes and sets forth the entire agreement and understanding among the Parties with respect to the subject matter hereof. If any provision of this Agreement is declared invalid or unenforceable as a matter of law, such invalidity or unenforceability shall not affect or impair the validity or enforceability of any other provision of this Agreement or the remainder of this Agreement as a whole.

This contract is approved as written this 27th day of APRIL, 2022.



Owner
GWWTP, LLC
Sumit Gupta
PO Box 90
Kill Devil Hills, NC 27948
bhowsare@icrsaga.com

Operator
Authorized Representative
Atlantic OBX
PO Box 2560
Kitty Hawk, NC 27949
tgee@atlanticsewage.com

SAGA CONSTRUCTION, INC.

PO BOX 90
KILL DEVIL HILLS, NC 27948

FIRST BANK

W-1343, SUB 0
W-1139, SUB 7

66-456/531

6/3/2022

12582

PAY TO THE ORDER OF NC Department of Environmental Quality \$ ****3,087.50**

Three Thousand Eighty-Seven and 50/100***** DOLLARS

MEMO
NC Department of Environmental Quality
Attn: John Hennessy, Supervisor
NC Div. of Water Resources
1617 Mail Service Center
Raleigh, NC 27699-1617
GWWTP Settlement agreement

AUTHORIZED SIGNATURE



THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.



OFFICIAL COPY



Feb 10 2023

SAGA CONSTRUCTION, INC.

12582

NC Department of Environmental Quality

Date	Type	Reference	Original Amt.	Balance Due	6/3/2022 Discount	Payment
6/3/2022	Bill	GWWTP Settlement	3,087.50	3,087.50		3,087.50
					Check Amount	3,087.50

FB_113100-5112 GWWTP Settlement agreement 3,087.50

SAGA CONSTRUCTION, INC.

12582

NC Department of Environmental Quality

Date	Type	Reference	Original Amt.	Balance Due	6/3/2022 Discount	Payment
6/3/2022	Bill	GWWTP Settlement	3,087.50	3,087.50		3,087.50
					Check Amount	3,087.50

FB_113100-5112 GWWTP Settlement agreement 3,087.50

SF5001-1



TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 800-768-7233

CC5J9S0010000 B20SF009741

NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION

COUNTY OF DARE

IN THE MATTER OF)
NORTH CAROLINA) SETTLEMENT AGREEMENT
PERMIT WQ0017224)
HELD BY GWWTP, LLC)

Pursuant to provisions of North Carolina General Statute § 143-215.3(a)(6), this Settlement Agreement is entered into by the GWWTP, LLC and the North Carolina Environmental Management Commission, an agency of the State of North Carolina created by N.C. General Statute § 143B-282, and hereinafter referred to as the Commission:

1. The GWWTP, LLC and the Commission hereby agree to the following findings:
 - (a.) The GWWTP, LLC holds North Carolina permit WQ0017224 for operation of the Ginguite Woods Wastewater Treatment Plant (WWTP).
 - (b.) Effluent limits included as terms of permit WQ0017224 have been established as those concentrations of pollutants that may be disposed of by reclaim irrigation or by infiltration
 - (c.) The GWWTP, LLC has been noncompliant with the effluent limits and reporting requirements contained in permit WQ0017224 in the manner and to the extent described in paragraph (d.) to this Agreement. Reported violations of effluent limits and monitoring requirements have persisted from January 2021 through August 2021.
 - (d.) The GWWTP, LLC has been assessed penalties totaling \$10,250.00 for effluent limit and reporting violations that occurred from January 2020 through August 2021. Of that total, nothing has yet been remitted (reduced/removed), leaving an outstanding assessed civil penalties balance of \$10,250.00, as summarized in the table below.

Case Number	Civil Penalty Amount	Enforcement Cost	Total Penalty
LM-2021-0038	\$ 1500.00	\$ 100.00	\$ 1600.00
LM-2021-0040	\$ 2800.00	\$ 100.00	\$ 2900.00
LM-2021-0041	\$ 1150.00	\$ 100.00	\$ 1250.00
LM-2021-0042	\$ 750.00	\$ 100.00	\$ 850.00
LV-2021-0298	\$ 1500.00	\$ 100.00	\$ 1600.00
LV-2021-0299	\$ 600.00	\$ 100.00	\$ 700.00
LV-2022-0016	\$ 1250.00	\$ 100.00	\$ 1350.00
TOTALS:	\$ 9,550.00	\$ 700.00	\$ 10,250.00

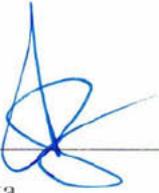
- (e.) Following an on-site inspection by regional staff from the Washington Regional Office on May 3, 2022, and actions taken by the facility prior to and continuing afterwards, the Division’s regional office is recommending a **significant reduction in the civil penalty balance while retaining all enforcement costs.**
- In order to facilitate resolution of the matters of outstanding civil penalties documented in paragraph 1. (d.) above, the Commission and the GWWTP, LLC agree to settle the above described penalties and violations for the total amount of **\$3,087.50.** Payment shall be made by check made payable to the North Carolina Department of Environmental Quality **within 15 days of the execution of this Agreement.** and sent to the following address:

Attn: John Hennessy, Supervisor
Compliance & Expedited Permitting Branch
NC Division of Water Resources
1617 Mail Service Center
Raleigh, NC 27699-1617

Full payment of the settlement amount shall constitute complete satisfaction of all outstanding civil penalties assessed prior to the execution of this Agreement and resolve all unaddressed violations occurring prior to the execution of this Agreement.
 - Nothing in this Agreement relieves the GWWTP, LLC of its duty to abide by the terms of permit WQ0017224. Noncompliance with the terms of the permit may subject the GWWTP, LLC to the assessment of additional civil penalties during the time this Agreement is in effect.
 - Requests, actions and/or reports required by the terms of paragraph 2 above shall be deemed overdue if they are not made, completed or submitted by the dates specified. The burden for providing sufficient documentation of the satisfaction of the terms of this Agreement is held entirely by the GWWTP, LLC.

5. Because this is an Agreement between the Commission and the GWWTP, LLC, neither party will file a petition for a contested case or for judicial review concerning its terms.

For the GWWTP, LLC:



Prem Gupta
Permittee

Date 6/2/2022

For the North Carolina Environmental Management Commission:

Date _____
Richard E. Rogers, Jr.
Director
North Carolina Division of Water Resources
for the Chair of the Commission

REDACTED

Sumit Gupta

Personal Financial Statement

FILED UNDER SEAL

REDACTED

Amit Gupta

Personal Financial Statement

FILED UNDER SEAL

GWWT, LLC
Docket No. W-1343, Sub 0
RECONCILIATION INPUTS
For The Test Year Ended November 30, 2022

<u>Line No.</u>	<u>Item</u>	<u>Company</u>
<u>Capital Structure:</u>		
1	Debt	50.00%
2	Equity	50.00%
3	Total	<u>100.00%</u>
<u>Cost Rates:</u>		
4	Debt	4.50%
5	Equity	9.50%
<u>Tax Rates:</u>		
6	Gross receipts tax	0.00%
7	Regulatory fee	0.13%
8	State	2.50%
9	Federal	21.00%
10	Composite income tax rate	22.98%

GWWTP, LLC
Docket No. W-1343, Sub 0
INDEX TO EXHIBITS
For The Test Year Ended November 30, 2022

<u>LINE NO.</u>	<u>TITLE</u>	<u>SCHEDULE NO.</u>
1	RETURN ON ORIGINAL COST RATE BASE	1
2	STATEMENT OF OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETUR	1-1
3	CALCULATION OF GROSS REVENUE EFFECT FACTORS	1-2
4	ORIGINAL COST RATE BASE	2
5	CALCULATION OF CASH WORKING CAPITAL AND AVERAGE TAX ACCRUALS	2-1
6	NET OPERATING INCOME FOR A RETURN	3
7	CALCULATION OF UPDATED NET OPERATING INCOME FOR A RETURN	3-1
8	ADJUSTMENT TO SERVICE REVENUES	3-2
9	ADJUSTMENT TO ADMINISTRATIVE AND OFFICE EXPENSE	3-3
10	ADJUSTMENT TO UTILITIES - ELECTRIC POWER EXPENSE	3-4
11	ADJUSTMENT TO CHEMICALS EXPENSE	3-5
12	ADJUSTMENT TO TESTING EXPENSE	3-6
13	ADJUSTMENT TO CONTRACT OPERATOR EXPENSE	3-7
14	ADJUSTMENT TO MISCELLANEOUS EXPENSE	3-8
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16	CALCULATION OF INCOME TAXES	3-10
17	CALCULATION OF REVENUE REQUIREMENT	4

GWWTP, LLC
Docket No. W-1343, Sub 0
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended November 30, 2022

Exhibit I
Schedule 1

Line No.	Item	Capitalization Ratio (a) [1]	Filed Amounts (b) [2]	Embedded Cost (c)	Overall Cost Rate (d)	Net Operating Income (e) [7]
<u>Company Present Rates</u>						
1	Debt	50.00%	\$78,275 [2]	4.50% [1]	2.25%	\$3,522 [5]
2	Equity	50.00%	78,275 [2]	-73.56% [4]	-36.78%	(57,578) [6]
3	Total	<u>100.00%</u>	<u>\$156,550</u> [3]		<u>-34.53%</u>	<u>(\$54,056)</u> [7]
<u>Company After ProForma Adjustments</u>						
4	Debt	50.00%	\$78,275 [2]	4.50% [1]	2.25%	\$3,522 [5]
5	Equity	50.00%	78,275 [2]	-70.16% [4]	-35.08%	(54,916) [6]
6	Total	<u>100.00%</u>	<u>\$156,550</u> [3]		<u>-32.83%</u>	<u>(\$51,394)</u> [7]
<u>Company Proposed Rates</u>						
7	Debt	50.00%	\$78,275 [2]	4.50% [1]	2.25%	\$3,522 [8]
8	Equity	50.00%	78,275 [2]	9.50% [1]	4.75%	7,436 [8]
9	Total	<u>100.00%</u>	<u>\$156,550</u> [3]		<u>7.00%</u>	<u>\$10,959</u>

[1] Per Application
[2] Column (a) multiplied by Column (b).
[3] Exhibit I, Schedule 2, Column (c), Line 10.
[4] Column (e) divided by Column (b).
[5] Column (b) multiplied by Column (c).
[6] Line 3 minus Column (e), Line 1.
[7] Exhibit I, Schedule 3, Column (c), Line 30.
[8] Column (b) multiplied by Column (c).

Exhibit 1
Schedule 1-1

GWWTP, LLC
Docket No. W-1343, Sub 0
STATEMENT OF OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN
For The Test Year Ended November 30, 2022

Line No.	Item	Present Rates			Proposed Rates	
		Amount	Pro Forma	Company	Rate	After Rate
		Per Company Books [1] (a)	Adjustments (b)	Amount (c)	Increase (d)	Increase (e)
NET OPERATING INCOME FOR A RETURN						
Operating Revenues:						
1	Service revenues	\$27,360	13,680	\$41,040	\$64,708	\$105,748
2	Miscellaneous revenues	0	0	0	0	0
3	Uncollectible accounts	0	0	0	0	0
4	Total operating revenues (Sum of L1 thru L3)	27,360	13,680	41,040	64,708	105,748
Operation & Maintenance Expenses:						
1	Total Salaries	0	0	0	0	0
2	Administrative & office expense	302	(206)	96	0	96
3	Maintenance & repair expense	899	0	899	0	899
4	Maintenance & repair expense (contract labor)	2,280	0	2,280	0	2,280
5	Utilities - Electric power expense	872	2,121	2,993	0	2,993
6	Chemicals for treatment	526	232	758	0	758
7	Testing Fees	7,662	7,614	15,276	0	15,276
8	Permit Fees	1,310	0	1,310	0	1,310
9	Sludge removal	3,523	0	3,523	0	3,523
10	Other Expenses: Contract Operator (Atlantic OBX)	32,000	16,000	48,000	0	48,000
11	Other Expenses: Insurance Expense	347	0	347	0	347
12	Other Expenses: Professional expenses (Legal/Accounting)	7,513	(7,513)	0	0	0
13	Other Expenses: Miscellaneous Expense	3,492	(3,290)	202	0	202
14	Regulatory Expenses	0	7,232	7,232	0	7,232
15	Total O&M expenses (Sum of L5 thru L23)	60,725	22,191	82,916	0	82,916
Depreciation and Taxes:						
15	Depreciation expense	20,691	(11,173)	9,518	0	9,518
16	Amortization of CIAC	0	0	0	0	0
17	Property taxes	0	0	0	0	0
18	Payroll taxes	0	0	0	0	0
19	Other Taxes	0	0	0	0	0
20	Regulatory Fee (test year included in permit fees)	0	0	0	137	137
21	State income tax	0	0	0	241	241
22	Federal income tax	0	0	0	1,977	1,977
23	Total depreciation and taxes (Sum of L25 thru L32)	20,691	(11,173)	9,518	2,355	11,873
24	Total operating expenses	81,416	11,018	92,434	2,355	94,789
25	Net operating income for a return	(\$4,056)	\$2,662	(\$51,394)	\$62,353	\$10,959
RATE BASE						
26	Plant in service	\$167,209	\$0	\$167,209	\$0	\$167,209
27	Accumulated depreciation	(21,022)	0	(21,022)	0	(21,022)
28	Net plant in service	146,186	0	146,186	0	146,186
29	Contributions in aid of construction (CIAC)	0	0	0	0	0
30	Accumulated amortization of CIAC	0	0	0	0	0
31	Customer deposits	0	0	0	0	0
32	Accumulated deferred income taxes (ADIT)	0	0	0	0	0
33	Cash working capital	10,364	0	10,364	0	10,364
34	Average tax accruals	0	0	0	0	0
35	Original cost rate base	\$156,550	\$0	\$156,550	\$0	\$156,550
36	Overall Rate of Return on Rate Base	-34.53%		-32.83%		7.00%

GWWTP, LLC
Docket No. W-1343, Sub 0
CALCULATION OF GROSS REVENUE EFFECT FACTORS
For The Test Year Ended November 30, 2022

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factor (c)	Gross Revenue Effect (d)
<u>Rate Base Factor:</u>					
1	Debt	50.00% [1]	4.50% [1]	0.998700 [2]	0.022529 [4]
2	Equity	50.00% [1]	9.50% [1]	0.769249 [3]	0.061749 [4]
3	Total	<u>100.00%</u>			<u>0.084278</u>
<u>Net Income Factor:</u>					
4	Total revenue	1.000000			
5	Regulatory fee (L4 x .13%)	<u>0.001300</u>			
6	Balance (L4 - L5)	0.998700			
7	State income tax (L10 x 2.5%)	<u>0.024968</u>			
8	Balance (L10 - L11)	0.973733			
9	Federal income tax (L12 X 21%)	<u>0.204484</u>			
10	Retention factor (L12 - L13)	<u>0.769249</u>			

- [1] Per Application.
- [2] Column (a), Line 7.
- [3] Column (a), Line 11.
- [4] Column (a) multiplied by Column (b) divided by Column (c).

Exhibit I
Schedule 2

GWWT, LLC
Docket No. W-1343, Sub 0
ORIGINAL COST RATE BASE
For The Test Year Ended November 30, 2022

Line No.	Item	Amount	Pro Forma	Company
		Per Company Books (a)	Adjustments (b)	Amounts (c)
1	Plant in service	\$167,209	\$0	\$167,209
2	Accumulated depreciation	(21,022)	0	(21,022)
3	Net plant in service (L1 + L2)	146,186		146,186
4	Contributions in aid of construction (CIAC)	0	0	0
5	Accumulated amortization of CIAC	0	0	0
6	Customer Advances	0	0	0
7	Accumulated deferred income taxes (ADIT)	0	0	0
8	Cash working capital	10,364 [2]	0	10,364 [5]
9	Average tax accruals	0	0	0 [6]
10	Original cost rate base (Sum of L3 thru L9)	\$156,550	\$0	\$156,550

- [1] Exhibit 1, Schedule 2-1.
- [2] Exhibit I, Schedule 2-2, Line 2.
- [3] Column (c) minus Column (a), unless otherwise footnoted.
- [4] Column (a) plus Column (b), unless otherwise footnoted.
- [5] Exhibit I, Schedule 2-2, Line 2.
- [6] Exhibit I, Schedule 2-2, Line 7.

GWWTP, LLC
Docket No. W-1343, Sub 0
ORIGINAL COST RATE BASE
For The Test Year Ended November 30, 2022
**CALCULATION OF PLANT IN SERVICE, ACCUMULATED
DEPRECIATION, AND DEPRECIATION EXPENSE**

Line No.	Item	Plant Amount (a)	Year Placed In Service [2] (b)	Life [2] (c)	Years in Service [3] (d)	Annual Depreciation [4] (e)	Accumulated Depreciation [5] (f)
1	Upgrade WWTP per State Regulations	\$6,008 [1]	2007	5		0	\$6,008
2	Blower	1,159 [1]	2008	5		0	1,159
3	Blower	381 [1]	2008	5		0	381
4	Purchase from Paragon Utilities (1 acre land & utility facilities)	100,000 [1a]	2016	0		-	-
5	Rotary Blower	34,924 [2]	2019	5	3.5	6,985	24,447
6	WWTP Steel Tank Replacement	298,125 [2]	2022	25	1	11,925	11,925
7	Lift Station Pump #1	5,407 [2]	2022	5	1	1,081	1,081
8	Site Prep for Construction	17,493 [2]	2022	25	1	700	700
9	Total	463,497				20,691	45,701
10	Less: Acquisition Adjustment related to Paragon Utilities purchase	(100,000) [1a]					
11	Total Plant in Service subject to excess capacity adjustment	363,497					
12	Less: Excess capacity of 54%	(196,288) [1b]				(11,173)	(24,678)
13	Amounts after excess capacity	\$167,209				\$9,518	\$21,022

[1] Per Docket No. W-1139, Sub 3.

[1a] GWWTP purchased one acre of land plus the utility facilities on the land in an agreement dated June 17, 2016. The Contract does not assign a designed value for the land or the utility facilities. This purchase results in an acquisition premium that is removed from Plant in Service.

[1b] Excess capacity percentage calculated by the Public Staff in Docket No. W-1139, Sub 3.

[2] Per Company.

[3] Based on year placed in service using half year convention.

[4] Column (a) divided by Column (c), unless fully depreciated.

[5] Column (d) x Column (c), unless fully depreciated.

#

Exhibit I
Schedule 2-2

GWTP, LLC
Docket No. W-1343, Sub 0
**CALCULATION OF CASH WORKING CAPITAL
AND AVERAGE TAX ACCRUALS**
For The Test Year Ended November 30, 2022

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
	<u>Cash Working Capital:</u>	
1	Total O&M expenses	<u>\$82,916</u> [1]
2	Cash working capital (L1 x 1/8)	<u>\$10,364</u>
	<u>Average Tax Accruals:</u>	
3	Property taxes	<u>0</u> [2]
4	Average accrual (L3 x 1/2)	<u>0</u>
5	Payroll taxes	<u>0</u> [3]
6	Average accrual (L5 x 1/5)	<u>0</u>
7	Average tax accruals	<u>\$0</u>

[1] Exhibit I, Schedule 3, Column C, Line 19.

[2] Exhibit I, Schedule 3, Column C, Line 22.

[3] Exhibit I, Schedule 3, Column C, Line 23.

Exhibit I
Schedule 3

GWWTP, LLC
Docket No. W-1343, Sub 0
NET OPERATING INCOME FOR A RETURN
For The Test Year Ended November 30, 2022

Line No.	Item	Present Rates			Proposed Rates	
		Amount	Pro Forma	Company	Proposed	After Rate
		Per Company Books [1]	Adjustments	Filed Amount [2]	Increase	Increase
		(a)	(b)	(c)	(d)	(e)
Operating Revenues						
1	Service revenues	\$27,360	\$13,680	\$41,040	\$64,708	\$105,748 [3]
2	Miscellaneous revenues	0	0	0	0	0
3	Uncollectible accounts	0	0	0	0	0
4	Total operating revenues (Sum of L1 thru L3)	<u>27,360</u>	<u>13,680</u>	<u>41,040</u>	<u>64,708</u>	<u>105,748</u>
Operation & Maintenance Expenses						
5	Salaries	0	0	0	0	0
6	Administrative & office expense	302	(206)	96	0	96
7	Maintenance & repair expense	899	0	899	0	899
8	Maintenance & repair expense (Contract Labor)	2,280	0	2,280	0	2,280
9	Utilities - Electric power expense	872	2,121	2,993	0	2,993
10	Chemicals for treatment	526	232	758	0	758
11	Testing fees	7,662	7,614	15,276	0	15,276
12	Permit fees	1,310	0	1,310	0	1,310
13	Sludge removal	3,523	0	3,523	0	3,523
14	Other Expenses: Contract Operator (Atlantic OBX)	32,000	16,000	48,000	0	48,000
15	Other Expenses: Insurance expense	347	0	347	0	347
16	Other Expenses: Professional expenses (Legal/Accounting)	7,513	(7,513)	0	0	0
17	Other Expenses: Miscellaneous expense	3,492	(3,290)	202	0	202
18	Regulatory expenses	0	7,232	7,232	0	7,232
19	Total O&M expenses (Sum of L5 thru L18)	<u>60,725</u>	<u>22,191</u>	<u>82,916</u>	<u>0</u>	<u>82,916</u>
Depreciation and Taxes						
20	Depreciation expense	20,691	(11,173)	9,518	0	9,518
21	Amortization of CIAC	0	0	0	0	0
22	Property taxes	0	0	0	0	0
23	Payroll taxes	0	0	0	0	0
24	Other taxes	0	0	0	0	0
25	Regulatory Fee	0	0	0	137	137
26	State income tax	0	0	0	241	241
27	Federal income tax	0	0	0	1,977	1,977
28	Total depreciation and taxes (Sum of L20 thru L27)	<u>20,691</u>	<u>(11,173)</u>	<u>9,518</u>	<u>2,355</u>	<u>11,873</u>
29	Total operating revenue deductions (L19 + L28)	<u>81,416</u>	<u>11,018</u>	<u>92,434</u>	<u>2,355</u>	<u>94,789</u>
30	Net operating income for a return (L4 - L29)	<u>(\$54,056)</u>	<u>\$2,662</u>	<u>(\$51,394)</u>	<u>\$62,353</u>	<u>\$10,959</u>

[1] Per Sch 3-1 Company Proforma NOI, Column (a).

[2] Per Sch 3-1 Company Proforma NOI, Column (t).

[3] Column (c) + Column (d).

Exhibit I
Schedule 3-1
Page 1 of 2

GWWTP, LLC
Docket No. W-1343, Sub 0
CALCULATION OF UPDATED NET OPERATING INCOME FOR A RETURN
For The Test Year Ended November 30, 2022

Line No.	Item	COMPANY PRO FORMA ADJUSTMENTS											Sludge Removal (k)
		Balance (a)	Service Revenues (b) [1]	Salaries (c) [2]	Administrative & Office Expense (d) [3]	Maintenance & Repair Expense (e) [3]	M&R Contract Labor (f)	Utilities Electric Power (g) [4]	Chemicals (h) [5]	Testing Fees (i) [6]	Permit Fees (j)		
Operating Revenues:													
1	Service revenues	\$27,360	\$13,680	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Miscellaneous revenues	0	0	0	0	0	0	0	0	0	0	0	0
3	Uncollectible accounts	0	0	0	0	0	0	0	0	0	0	0	0
4	Total operating revenues (Sum of L1 thru L3)	27,360	13,680	0	0	0	0	0	0	0	0	0	0
Operation & Maintenance Expenses:													
5	Salaries	0	0	0	0	0	0	0	0	0	0	0	0
6	Administrative & office expense	302	0	0	(206)	0	0	0	0	0	0	0	0
7	Maintenance & repair expense	899	0	0	0	0	0	0	0	0	0	0	0
8	Maintenance & repair expense (Contract Labor)	2,280	0	0	0	0	0	0	0	0	0	0	0
9	Utilities - Electric power expense	872	0	0	0	0	0	2,121	0	0	0	0	0
10	Chemicals for treatment	526	0	0	0	0	0	0	232	0	0	0	0
11	Testing Fees	7,662	0	0	0	0	0	0	0	7,614	0	0	0
12	Permit Fees	1,310	0	0	0	0	0	0	0	0	0	0	0
13	Sludge removal	3,523	0	0	0	0	0	0	0	0	0	0	0
14	Other Expenses: Contract Operator (Atlantic OBX)	32,000	0	0	0	0	0	0	0	0	0	0	0
15	Other Expenses: Insurance Expense	347	0	0	0	0	0	0	0	0	0	0	0
16	Other Expenses: Professional expenses Legal/Accounting	7,513	0	0	0	0	0	0	0	0	0	0	0
17	Other Expenses: Miscellaneous Expense	3,492	0	0	0	0	0	0	0	0	0	0	0
18	Regulatory Expenses	-	0	0	0	0	0	0	0	0	0	0	0
19	Total O&M expenses (Sum of L5 thru L18)	60,725	0	0	(206)	0	0	2,121	232	7,614	0	0	0
Depreciation and Taxes:													
20	Depreciation expense	20,691	0	0	0	0	0	0	0	0	0	0	0
21	Amortization of CIAC	0	0	0	0	0	0	0	0	0	0	0	0
22	Property taxes	0	0	0	0	0	0	0	0	0	0	0	0
23	Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	0
24	Other Taxes	0	0	0	0	0	0	0	0	0	0	0	0
25	Regulatory Fee	0	0	0	0	0	0	0	0	0	0	0	0
26	State income tax	0	0	0	0	0	0	0	0	0	0	0	0
27	Federal income tax	0	0	0	0	0	0	0	0	0	0	0	0
28	Total depreciation and taxes (Sum of L20 thru L28)	20,691	0	0	0	0	0	0	0	0	0	0	0
29	Total operating revenue deductions (L19 + L28)	81,416	0	0	(206)	0	0	2,121	232	7,614	0	0	0
30	Net operating income for a return (L4 - L29)	(\$54,056)	\$13,680	\$0	\$206	\$0	\$0	(\$2,121)	(\$232)	(\$7,614)	\$0	\$0	\$0

[1] Per Company.
[2] Exhibit I, Schedule 3-2.
[3] Exhibit I, Schedule 3-3.
[4] Exhibit I, Schedule 3-4.
[5] Exhibit I, Schedule 3-5.
[6] Exhibit I, Schedule 3-6.
[7] Exhibit I, Schedule 3-7.
[8] Amount reclassified to Regulatory Expenses Exhibit I, Schedule 3-9, Column (a), Line 5.
[9] Exhibit I, Schedule 3-8.
[10] Exhibit I, Schedule 3-9.
[11] Exhibit I, Schedule 2-1, Column (e), Line 12.
[12] Sum of Column (b) thru Column (j)
[13] Column (a) plus Column (s)

GWTP, LLC
Docket No. W-1343, Sub 0
CALCULATION OF UPDATED NET OPERATING INCOME FOR A RETURN
For The Test Year Ended November 30, 2022

Exhibit I
Schedule 3-1
Page 2 of 2

COMPANY PRO FORMA ADJUSTMENTS												
Line No.	Item	Prof Expenses Contract Operator [7]	Insurance Expense [m]	Professional Accounting & Legal Expense [8]	Miscellaneous Expense [9]	Regulatory Expense [p]	[10] Depreciation [q]	[11] Payroll Taxes [r]	Total Adjustments [s]	[12]	Proforma Balance [t]	[13]
		(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)
Operating Revenues:												
1	Service revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,680		\$41,040	
2	Miscellaneous revenues	0	0	0	0	0	0	0	0		0	
3	Uncollectible accounts	0	0	0	0	0	0	0	0		0	
4	Total operating revenues (Sum of L1 thru L3)	0	0	0	0	0	0	0	13,680		41,040	
Operation & Maintenance Expenses:												
5	Salaries	0	0	0	0	0	0	0	0		0	
6	Administrative & office expense	0	0	0	0	0	0	0	(206)		96	
7	Maintenance & repair expense	0	0	0	0	0	0	0	0		899	
8	Maintenance & repair expense (Contract Labor)	0	0	0	0	0	0	0	0		2,280	
9	Utilities - Electric power expense	0	0	0	0	0	0	0	2,121		2,993	
10	Chemicals for treatment	0	0	0	0	0	0	0	232		758	
11	Testing Fees	0	0	0	0	0	0	0	7,614		15,276	
12	Permit Fees	0	0	0	0	0	0	0	0		1,310	
13	Sludge removal	0	0	0	0	0	0	0	0		3,523	
14	Other Expenses: Contract Operator (Atlantic OBX)	16,000	0	0	0	0	0	0	16,000		48,000	
15	Other Expenses: Insurance Expense	0	0	0	0	0	0	0	0		347	
16	Other Expenses: Professional expenses Legal/Accountin	0	0	(7,513)	0	0	0	0	(7,513)		0	
17	Other Expenses: Miscellaneous Expense	0	0	0	(3,290)	0	0	0	(3,290)		202	
18	Regulatory Expenses	0	0	0	0	7,232	0	0	7,232		7,232	
19	Total O&M expenses (Sum of L5 thru L18)	16,000	0	(7,513)	(3,290)	7,232	0	0	22,191		82,916	
Depreciation and Taxes:												
20	Depreciation expense	0	0	0	0	0	(11,173)	0	(11,173)		9,518	
21	Amortization of CIAC	0	0	0	0	0	0	0	0		0	
22	Property taxes	0	0	0	0	0	0	0	0		0	
23	Payroll Taxes	0	0	0	0	0	0	0	0		0	
24	Other Taxes	0	0	0	0	0	0	0	0		0	
25	Regulatory Fee	0	0	0	0	0	0	0	0		0	
26	State income tax	0	0	0	0	0	0	0	0		0	
27	Federal income tax	0	0	0	0	0	0	0	0		0	
28	Total depreciation and taxes (Sum of L20 thru L28)	0	0	0	0	0	(11,173)	0	(11,173)		9,518	
29	Total operating revenue deductions (L19 + L28)	16,000	0	(7,513)	(3,290)	7,232	(11,173)	0	11,018		92,434	
30	Net operating income for a return (L4 - L29)	(\$16,000)	\$0	\$7,513	\$3,290	(\$7,232)	\$11,173	\$0	\$2,662		(\$51,394)	

Exhibit I
Schedule 3-2

GWWTP, LLC
Docket No. W-1343, Sub 0
ADJUSTMENT TO SERVICE REVENUES
For The Test Year Ended November 30, 2022

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Number of Customers	38 [1]
2	Current Monthly Rate Per Customer	\$90 [2]
3	Months	<u>12</u>
4	Annualized Service Revenues (L1 x L2 x L3)	\$41,040
5	Amount included in Test Year	27,360 [3]
6	Adjustment to Service Revenues	<u>\$13,680</u>

- [1] Current customers per Company.
[2] Current Tariffed rate per W-1139, Sub 3.
[3] Per Company.

Exhibit I
Schedule 3-3

GWWTP, LLC
Docket No. W-1343, Sub 0
ADJUSTMENT TO ADMINISTRATIVE AND OFFICE EXPENSE
For The Test Year Ended November 30, 2022

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Remove non-recurring office expense	\$ (206) [1]

[1] Per Company.

Exhibit I
Schedule 3-4

GWWT, LLC
Docket No. W-1343, Sub 0
ADJUSTMENT TO UTILITIES - ELECTRIC POWER EXPENSE
For The Test Year Ended November 30, 2022

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Dominion Power Bill for 10/14-11/16 2022	\$266 [1]
2	Dominion Power Bil for 11/16/2022-12/15/2022	233 [1]
3	Average of Dominion Power Bills (L1+L2)/2	<u>\$249</u>
4	Annualized (L3 x 12)	<u>\$2,993</u>
5	Electric Power in Test Year	\$872 [2]
6	Adjustment to Utilities - Electric Power Expense (L4 - L5)	<u>\$2,121</u>

[1] Per Company. Previous Emergency Operator had been paying power bill until recently. GWWT set up new account with Dominion Energy.

[2] Dominion Energy bill including a new customer deposit amount.

Note: Electric Power Expense is subject to be updated as new bills are received.

Exhibit I
Schedule 3-5

GWTP, LLC
Docket No. W-1343, Sub 0
ADJUSTMENT TO CHEMICALS EXPENSE
For The Test Year Ended November 30, 2022

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Sodium Bicarbonate	\$46 [1]
2	Months	<u>12</u>
3	Total amount for Sodium Bicarbonate (L1 x L2)	\$553
4	Tri Chloriide Tablets	<u>205 [1]</u>
5	Total Chemical Expense (L3 + L4)	\$758
6	Chemical Expense in Test year	526
7	Adjustment to Chemical Expense	<u><u>\$232</u></u>

[1] Per Company records.

Exhibit I
Schedule 3-6

GWWTWP, LLC
Docket No. W-1343, Sub 0
ADJUSTMENT TO TESTING EXPENSE
For The Test Year Ended November 30, 2022

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>	[1]
1	Amount for Weekly testing	\$258	
2	Weeks in Year	52	
3	Amount for Weekly Lab Testing	<u>\$13,416</u>	
4	Amount for Sludge Analysis	\$1,860	
5	Times per year	1	
6	Amount for Sludge Analysis	<u>\$1,860</u>	
7	Total Amount for Weekly and Sludge Analysis Testing L3 + L6	\$15,276	
8	Amount of Testing in the Test year	7,662	
9	Adjustment to Testing Expense (L7 - L8)	<u>\$7,614</u>	

[1] Per Company.

Exhibit I
Schedule 3-7

GWTP, LLC
Docket No. W-1343, Sub 0
ADJUSTMENT TO CONTRACT OPERATOR EXPENSE
For The Test Year Ended November 30, 2022

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Contract Operator Monthly Charge (Atlantic OBX)	\$4,000 [1]
2	Months	<u>12</u>
3	Annualized Contract Operator Expense (L1 x L2)	\$48,000
4	Test Year Contract Operator Expense (Atlantic OBX)	<u>32,000 [2]</u>
5	Adjustment to Contract Operator Expense	<u><u>\$16,000</u></u>

[1] Amount per Atlantic OBX Monthly Maintenance Agreement.

[2] Per Company.

Exhibit I
Schedule 3-8

GWWT, LLC
Docket No. W-1343, Sub 0
ADJUSTMENT TO MISCELLANEOUS EXPENSE
For The Test Year Ended November 30, 2022

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Remove DEQ Settlement Agreement Amount	\$ (3,088) [1]
2	Remove Secretary of State Annual Report Fee	<u>(202) [2]</u>
3	Total Amount to Remove from Miscellaneous Expense	<u>\$ (3,290)</u>

Settlement Agreement amount with DEQ as a result of NOV's received in
[1] connection with its system with the previous Emergency Operator. Effective April 2022, GWWT hired Atlantic OBX as the new Contract Operator.
[2] Secretary of State Annual Report fee that is unrelated to GWWT.

GWWT, LLC
Docket No. W-1343, Sub 0
ADJUSTMENT TO REGULATORY EXPENSE
For The Test Year Ended November 30, 2022

<u>Line No.</u>	<u>Item</u>	<u>Actual</u> (a)	[1]	<u>Estimates</u> (b)	[2]	<u>Total</u> (b)	[3]
1	Application Fee	\$0		\$125		\$125	
2	Legal Services	3,500		10,000		13,500	
3	Accounting Consultants:	4,013		4,000		8,013	
4	Notices, Printing envelopes, Postage, and Miscellaneous	<u>0</u>		<u>59</u>		<u>59</u>	
5	Total regulatory expense (Sum of L1 thru L4)	\$7,513		\$14,184		\$21,697	
6	Amortization Period					<u>3</u>	
7	Regulatory expense per Company (L6 / L7)					<u><u>\$7,232</u></u>	

[1] Per Company.

[2] Per Company estimates, To be updated to actual.

Exhibit I
Schedule 3-10

GWWT, LLC
Docket No. W-1343, Sub 0
CALCULATION OF INCOME TAXES
For The Test Year Ended November 30, 2022

Line No.	Item	Present Rates (a)	After Pro Forma Adjustments (b)	Proposed Rates (c)
1	Operating revenues	\$27,360	\$41,040	\$105,748
	Operating revenue deductions:			
2	Operating & maintenance expenses	60,725	82,916	82,916
3	Depreciation expense	20,691	9,518	9,518
4	Amortization of CIAC	0	0	0
5	Property taxes	0	0	0
6	Payroll taxes	0	0	0
7	Other taxes	0	0	0
8	Regulatory Fee	0	0	137
9	Interest expense	3,522 [2]	3,522 [4]	3,522 [6]
10	Total deductions (Sum of L2 thru L9)	<u>84,938</u>	<u>95,956</u>	<u>96,093</u>
11	Taxable income (L1 - L10)	<u>(57,578)</u>	<u>(54,916)</u>	<u>9,655</u>
12	State income tax (L11 x 2.5%)	<u>0</u>	<u>0</u>	<u>241</u>
13	Federal taxable income after state income tax (L1 - L12)	<u>(57,578)</u>	<u>(54,916)</u>	<u>9,414</u>
14	Federal income tax (L13 x 21%)	<u>0</u>	<u>0</u>	<u>1,977</u>
15	Net amount (L11 - L12 - L14)	(57,578)	(54,916)	7,437
16	Add: Interest expense	<u>3,522 [2]</u>	<u>3,522 [4]</u>	<u>3,522 [6]</u>
17	Net income for a return (L15 + L16)	<u><u>(\$54,056)</u></u>	<u><u>(\$51,394)</u></u>	<u><u>\$10,959</u></u>

- [1] Exhibit I, Schedule 3, Column (a).
 [2] Exhibit I, Schedule 1, Column (e), Line 1.
 [3] Exhibit I, Schedule 3, Column (c).
 [4] Exhibit I, Schedule 1, Column (e), Line 4.
 [5] Exhibit I, Schedule 3, Column (e).
 [6] Exhibit I, Schedule 1, Column (e), Line 7.

GWTP, LLC
Docket No. W-1343, Sub 0
CALCULATION OF REVENUE REQUIREMENT
For The Test Year Ended November 30, 2022

<u>Line No.</u>	<u>Item</u>	<u>Amount</u> (a)	<u>Retention Factor</u> (b)	<u>Revenue Requirement</u> (c)
Operating revenue deductions:				
1	Operating & maintenance expenses	82,916		
2	Depreciation expense	9,518		
3	Amortization of CIAC	0		
4	Property taxes	0		
5	Payroll taxes	0		
6	Other taxes	0		
7	Regulatory Fee	0		
8	Total operating revenue deductions	<u>\$92,434</u>	0.998700	\$92,554
Net operating income for a return:				
9	Debt service return	3,522	0.998700	3,527
10	Equity return	7,436	0.769249	9,667
11	Revenue requirement			<u>\$105,748</u>

GWWTP, LLC
Projected Income Statement

Exhibit II

Addendum to Application for Transfer of Public Utility Franchise and for Approval of Rates

	OPERATING BUDGET				
	2022 Year 1	2023 Year 2	2024 Year 3	2025 Year 4	2026 Year 5
Operating Revenues					
Metered service revenue					
Fiat rate service revenue	\$27,360	\$105,740	\$105,740	\$105,740	\$105,740
Re-connect fees					
Returned check charge					
Late payment charge					
Other operating revenue					
Total operating revenue	\$27,360	\$105,740	\$105,740	\$105,740	\$105,740
Operating expenses					
Salaries	\$0	\$0	\$0	\$0	\$0
Administrative & office expense	302	96	96	96	96
Maintenance & repair expense	899	899	899	899	899
Maintenance & repair expense (contract labor)	2,280	2,280	2,280	2,280	2,280
Utilities - Electric power expense	872	2,993	2,993	2,993	2,993
Chemicals for treatment	526	758	758	758	758
Testing fees	7,662	15,276	15,276	15,276	15,276
Permit fees	1,310	1,310	1,310	1,310	1,310
Sludge removal	3,523	3,523	3,523	3,523	3,523
Other Expenses: Contract Operator (Atlantic OBX)	32,000	48,000	48,000	48,000	48,000
Other Expenses: Insurance expense	347	347	347	347	347
Other Expenses: Professional expenses (Legal/Accounting)	7,513	0	0	0	0
Other Expenses: Miscellaneous expense	3,492	202	202	202	202
Regulatory expenses	0	7,224	7,224	7,224	7,224
Total operation and maintenance expenses	\$60,725	\$82,908	\$82,908	\$82,908	\$82,908
Annual depreciation expense	\$20,691	\$9,518	\$9,518	\$9,518	\$9,518
Property taxes paid on utility property	-	-	-	-	-
Payroll taxes	-	-	-	-	-
Franchise (gross receipts) tax	-	\$0	\$0	\$0	\$0
Annual NCUC regulatory fee	-	137	137	137	137
Total operating expenses	\$81,416	\$92,563	\$92,563	\$92,563	\$92,563
Income Taxes					
State income taxes	\$0	\$329	\$329	\$329	\$329
Federal income taxes	-	2,698	2,698	2,698	2,698
Total income taxes	\$0	\$3,027	\$3,027	\$3,027	\$3,027
Net operating income (loss)	(\$54,056)	\$10,150	\$10,150	\$10,150	\$10,150
Interest expense		3,522	3,522	3,522	3,522
Net income (loss)	(\$54,056)	\$6,628	\$6,628	\$6,628	\$6,628

STATEMENT OF CASH FLOWS

	Year 1	Year 2	Year 3	Year 4	Year 5
CASH FLOWS FROM OPERATING ACTIVITIES					
PRE-TAX OPERATING INCOME (LOSS)					
Total Operating Revenue	\$27,360	\$105,740	\$105,740	\$105,740	\$105,740
Operation and Maintenance Expenses	81,416	92,426	92,426	92,426	92,426
Taxes Other than Income	-	137	137	137	137
Pre-Tax Operating Income (Loss)	(\$54,056)	\$13,177	\$13,177	\$13,177	\$13,177
INCOME TAX CALCULATION					
Pre-Tax Operating Income (Loss)	(\$54,056)	\$13,177	\$13,177	\$13,177	\$13,177
CIAC					
Tax Depreciation		19,850	37,715	33,944	30,569
Interest Expense	0	3,522	3,522	3,522	3,522
Taxable Income (Loss)	(\$54,056)	(10,195)	(28,060)	(24,288)	(20,914)
State Income Tax	(1,351)	(255)	(701)	(607)	(523)
Federal Income Tax	(11,068)	(2,087)	(5,745)	(4,973)	(4,282)
Total Income Taxes to be Paid	(12,419)	(2,342)	(6,447)	(5,580)	(4,805)
Net Cash Provided by Operating Activities	(\$41,636)	\$15,519	\$19,624	\$18,757	\$17,982
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Utility Plant		\$397,000	\$100,000	\$10,000	\$10,000
Cash Bonds Posted					
CIAC/Excess Capacity Adjustment of 54%		(214,380)	(\$54,000)		
Proceeds from Disposal of Utility Plant					
Net Cash Used by Investing Activities	\$0	\$182,620	\$46,000	\$10,000	\$10,000
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from Short Term Debt					
Principal Repayment of Short Term Debt					
Proceeds from Long Term Debt		\$91,310	\$23,000		
Principal Repayment of Long Term Debt					
Interest Payment for Debt		3,522	3,522	3,522	3,522
Proceeds from Equity		91,310	23,000	\$10,000	\$10,000
Dividends Paid					
Funds Provided by Owner					
Net Cash Provided by Financing Activities	\$0	\$186,142	\$49,522	\$13,522	\$13,522
Net Increase (Decrease in Cash)	(\$41,636)	\$19,041	\$23,146	\$22,279	\$21,504
Cash Balance at Beginning of Year	\$0	\$0	\$19,041	\$42,187	\$64,466
Cash Balance at End of Year	\$0	\$19,041	\$42,187	\$64,466	\$85,970

Projected Income Statement Assumptions

- * Per Rate Case Exhibit, 50% - 50% capital structure
- * Capital upgrade investment planned for 2022, therefore we assume GWWTP will file a rate case in 2023 with a corresponding revenue increase to be effective July 1, 2023.
- * The Company is aware that any future increases in rates for the system at issue must be vetted and approved by the North Carolina Utilities Commission, which is required by law to set rates that are fair and reasonable.
- * Property Taxes are not paid by GWWTP, LLC.
- * Annual NCUC Regulatory Fees are .13% of total service revenues.

- * The following assumptions were made regarding tax rates:
 - State Tax Rate - 2.5%
 - Federal Tax Rate - 21%
- * Cash Flow Assumptions
 - The cash flow values are derived from balance sheet and income statement information.
 - The cash flow projections utilize a hypothetical capital structure of 50% debt and 50% equity.
- * The hypothetical debt assumes an interest rate of 4.5%.
- * Depreciation expense assumes an average depreciation rate of 4% for replacement of front end of plant and 20% for blower/Misc.
- * Funds Provided by Owner change year-over-year to bring the Cash Balance at End of Year from a negative dollar amount to \$0.
- * The Purchase of Utility Plant amounts were created using the following assumptions:
 - Capital Estimates - Year 1 = \$0
 - Capital Estimates - Year 2 = \$397,000 Replacement of Front End of WWTP plus site prep for construction.
 - Capital Estimates - Year 3 = \$100,000 Misc Repairs/ Replacements re: to other areas around plant.
 - Capital Estimates - Year 4 = \$10,000
 - Capital Estimates - Year 5 = \$10,000

State of North Carolina
Department of the Secretary of State

SOSID: 1450217
Date Filed: 6/5/2015 12:39:00 PM
Elaine F. Marshall
North Carolina Secretary of State
C2015 153 00291

OFFICIAL COPY

Feb 10 2023

Limited Liability Company
ARTICLES OF ORGANIZATION

Pursuant to §57D-2-20 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Organization for the purpose of forming a limited liability company.

1. The name of the limited liability company is: GWWTP, LLC
(See Item 1 of the Instructions for appropriate entity designation)

2. The name and address of each person executing these articles of organization is as follows: (State whether each person is executing these articles of organization in the capacity of a member, organizer or both. **Note: This document must be signed by all persons listed.**)
Prem Gupta, Organizer
105 Juniper Ct., Kill Devil Hills, NC 27948

3. The name of the initial registered agent is: Prem Gupta

4. The street address and county of the initial registered agent office of the limited liability company is:
Number and Street 1314 S. Croatan Hwy., Suite 301
City Kill Devil Hills State: NC Zip Code: 27948 County: Dare

5. The mailing address, if different from the street address, of the initial registered agent office is:
Number and Street P.O. Box 90
City Kill Devil Hills State: NC Zip Code: 27948 County: Dare

6. Principal office information: (Select either a or b.)
a. The limited liability company has a principal office.
The principal office telephone number: _____

The street address and county of the principal office of the limited liability company is:
Number and Street _____
City _____ State: _____ Zip Code: _____ County: _____

The mailing address, if different from the street address, of the principal office of the company is:

Number and Street _____

City _____ State: _____ Zip Code: _____ County: _____

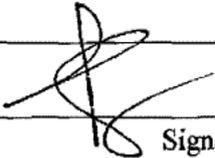
b. The limited liability company does not have a principal office.

7. Any other provisions which the limited liability company elects to include (e.g., the purpose of the entity) are attached.

8. (Optional): Please provide a business e-mail address Privacy Redaction
The Secretary of State's Office will e-mail the business automatically at the address provided above at no cost when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is offered, please see the instructions for this document.

9. These articles will be effective upon filing, unless a future date is specified:

This is the 1st day of June, 20 15.



Signature

Prem Gupta, Organizer, GWWTP, LLC
Type or Print Name and Title

The below space to be used if more than one organizer or member is listed in Item #2 above.

Signature

Type and Print Name and Title

Signature

Type and Print Name and Title

Signature

Type and Print Name and Title

Signature

Type and Print Name and Title

NOTES:

1. Filing fee is \$125. This document must be filed with the Secretary of State.



LIMITED LIABILITY COMPANY ANNUAL REPORT

W-1343, SUB 0
W-1139, SUB 7

1/6/2022
NAME OF LIMITED LIABILITY COMPANY: GWWTP, LLC

SECRETARY OF STATE ID NUMBER: 1450217 STATE OF FORMATION: NC

REPORT FOR THE CALENDAR YEAR: 2023

Filing Office Use Only	
E - Filed Annual Report	
1450217	
CA202301201260	
1/12/2023 12:00	
<input type="checkbox"/>	Changes

SECTION A: REGISTERED AGENT'S INFORMATION

1. NAME OF REGISTERED AGENT: Gupta, Prem

2. SIGNATURE OF THE NEW REGISTERED AGENT: _____

SIGNATURE CONSTITUTES CONSENT TO THE APPOINTMENT

3. REGISTERED AGENT OFFICE STREET ADDRESS & COUNTY 4. REGISTERED AGENT OFFICE MAILING ADDRESS

1314 S. Croatan Hwy, Sutie301

1314 S. Croatan Hwy, Sutie301

Kill Devil Hills, NC 27948 Dare County

Kill Devil Hills, NC 27948

SECTION B: PRINCIPAL OFFICE INFORMATION

1. DESCRIPTION OF NATURE OF BUSINESS: Real Estate Investments

2. PRINCIPAL OFFICE PHONE NUMBER: (252) 441-9003

3. PRINCIPAL OFFICE EMAIL: Privacy Redaction

4. PRINCIPAL OFFICE STREET ADDRESS

5. PRINCIPAL OFFICE MAILING ADDRESS

1314 S. Croatan Hwy, Sutie301

PO Box 90

Kill Devil Hills, NC 27948

Kill Devil Hills, NC 27948

6. Select one of the following if applicable. (Optional see instructions)

The company is a veteran-owned small business

The company is a service-disabled veteran-owned small business

SECTION C: COMPANY OFFICIALS (Enter additional company officials in Section E.)

NAME: Sumit Gupta

NAME: Amit Gupta

NAME: Prem Gupta

TITLE: Member

TITLE: Member

TITLE: Manager

ADDRESS: 1314 S Croatan Hwy

ADDRESS: 1314 S Croatan Hwy

ADDRESS: 1314 S Croatan Hwy

Ste. 301

Ste. 301

Ste. 301

Kill Devil Hills, NC 27948

Kill Devil Hills, NC 27948

Kill Devil Hills, NC 27948

SECTION D: CERTIFICATION OF ANNUAL REPORT. Section D must be completed in its entirety by a person/business entity.

Prem Gupta

1/12/2023

SIGNATURE

DATE

Form must be signed by a Company Official listed under Section C of This form.

Prem Gupta

Manager

Print or Type Name of Company Official

Print or Type Title of Company Official

This Annual Report has been filed electronically.

MAIL TO: Secretary of State, Business Registration Division, Post Office Box 29525, Raleigh, NC 27626-0525

OFFICIAL COPY

Feb 10 2023

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Limited Liability Company

Legal Name

GWWTP, LLC

Information

SosId 1450217

Status: Current-Active ⓘ

Date Formed 6/5/2015

Citizenship: Domestic

Annual Report Due Date April 15th

Current**Annual Report Status:**

Registered Agent Gupta, Prem

Addresses

Principal Office

1314 S. Croatan Hwy, Sutie301
Kill Devil Hills, NC 27948

Reg Office

1314 S. Croatan Hwy, Sutie301
Kill Devil Hills, NC 27948

Reg Mailing

1314 S. Croatan Hwy, Sutie301
Kill Devil Hills, NC 27948

Mailing

PO Box 90
Kill Devil Hills, NC 27948

Company Officials

All LLCs are managed by their managers pursuant to N.C.G.S. 57D-3-20.

Member

Amit Gupta
1314 S Croatan Hwy Ste 301
Kill Devil Hills NC 27948

Manager

Prem Gupta
1314 S Croatan Hwy Ste 301
Kill Devil Hills NC 27948-8681

Member

Sumit Gupta
1314 S Croatan Hwy Ste. 301
Kill Devil Hills NC 27948